

2018 Results Investor Conference



March, 2019

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About Gemtek Vietnam Factory

- Opening date: 2019/02/20
- Location : Dong Van II Industrial Park, Bach Thuong Commune, Duy Tien District, Ha Nam Province, Vietnam

Land : 36,000 m²

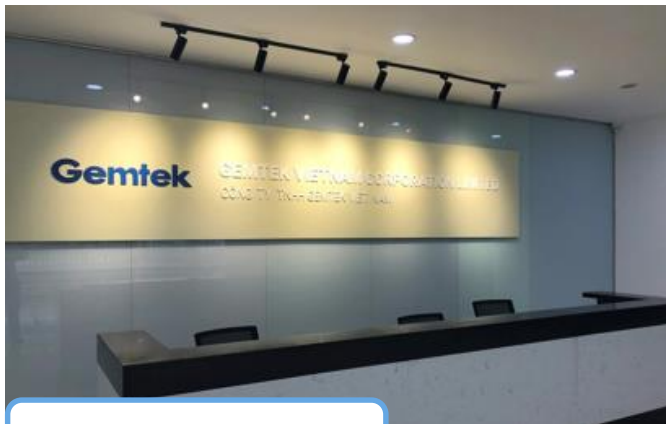
Building : 26,000 m²



Vietnam Factory View



Front Door View



Inside View



Front View

The industrial opportunity of 5G

台灣5G經濟展望₂₀₃₅

1.34兆
(美元)

預估整體產值

600億
(美元)

預估國內總產值

348億 (美元)

來自出口貿易

252億 (美元)

來自內需消費

740億
(美元)

預估台資產業的海外產值

51萬

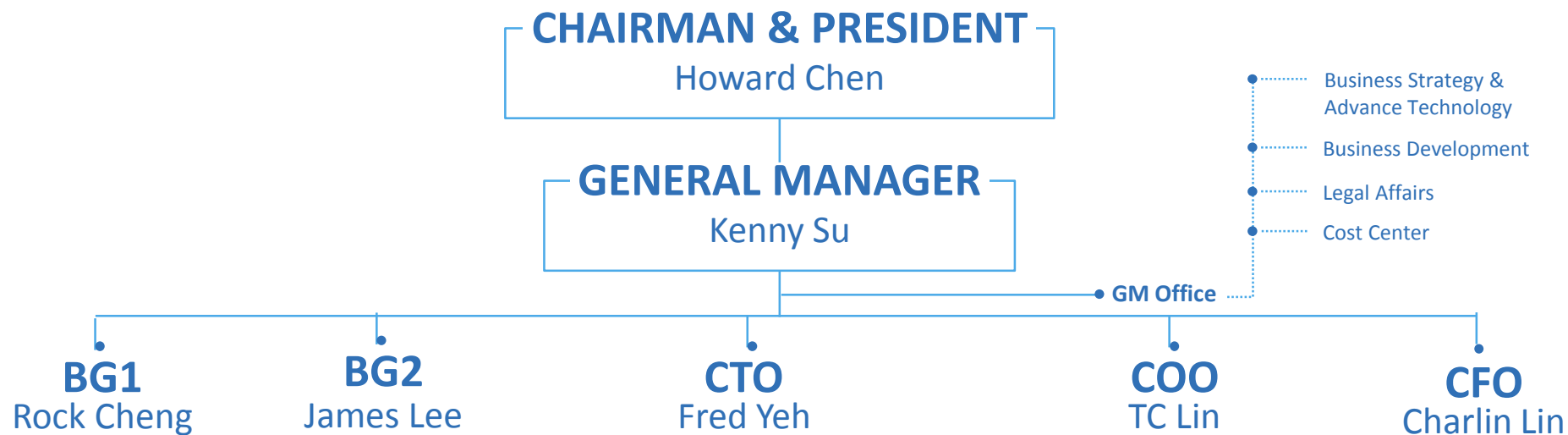
支持5G相關就業機會

ETNEWS

tek
and Anywhere

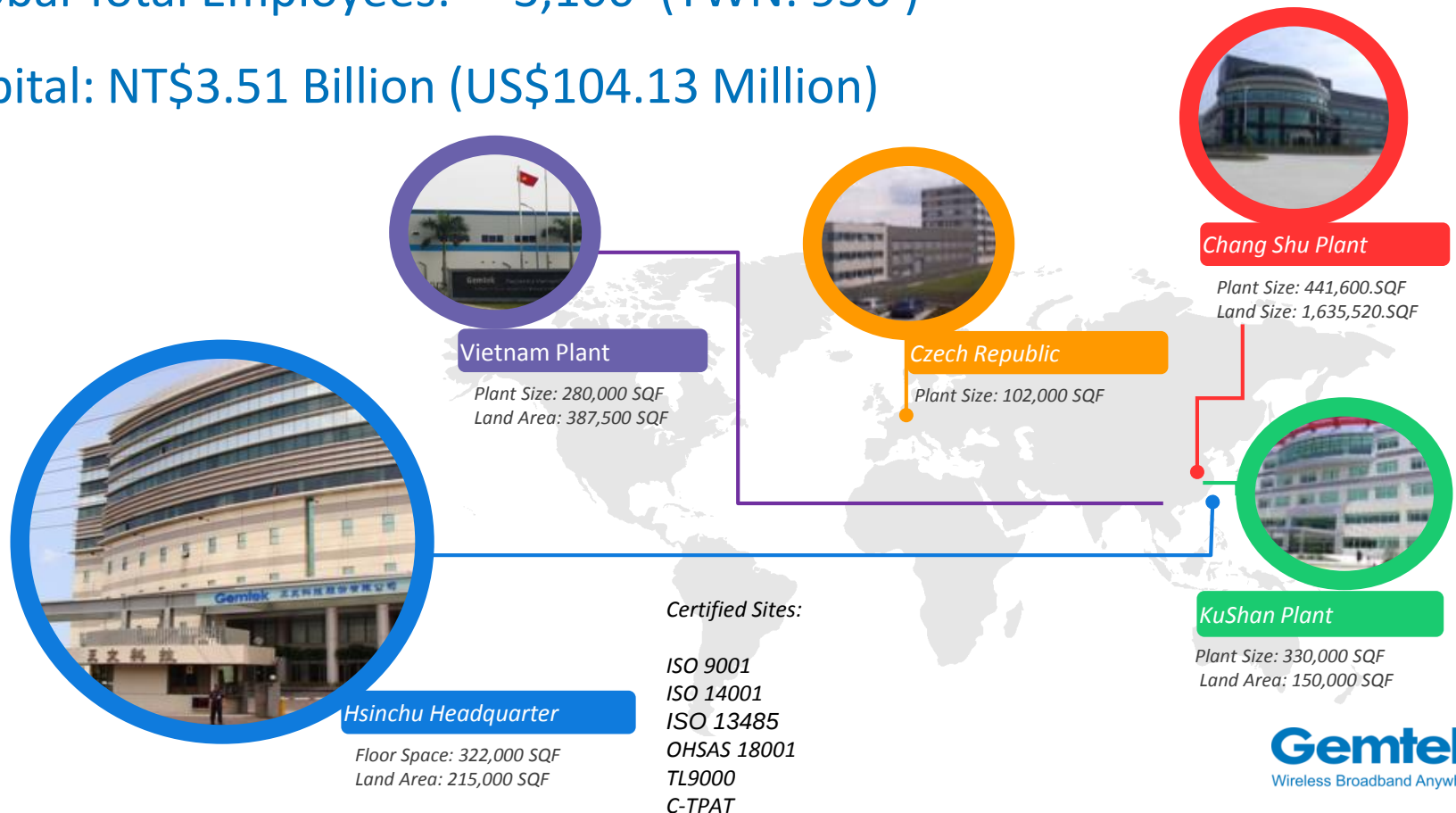
2018 Operation Results & 2019 Forecasts

Organization Chart



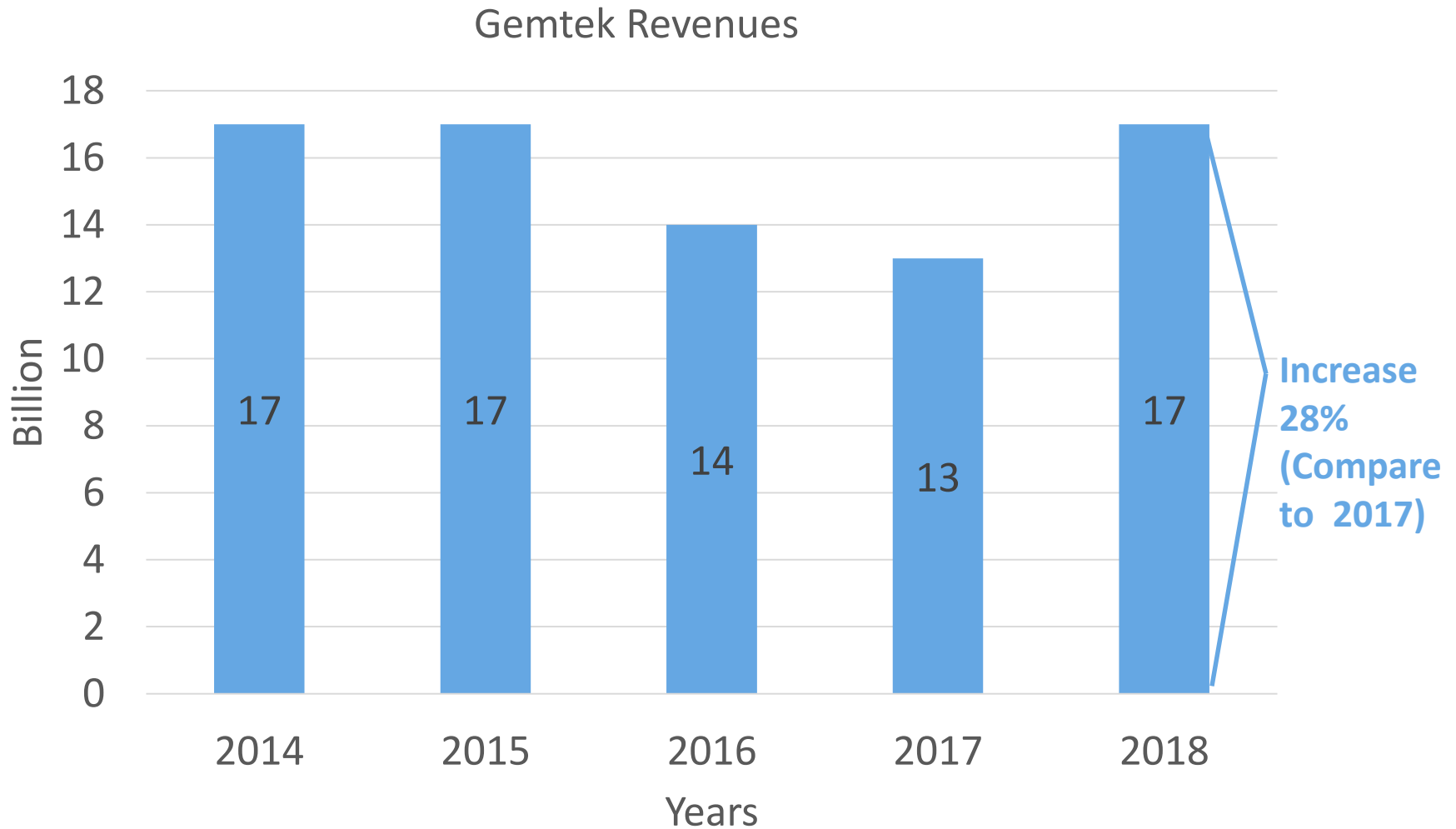
About Gemtek

- Established: 1988
- Location office: Hsinchu Industrial Park, Hsinchu, Taiwan(Headquater)
- Global Total Employees:~ 3,100 (TWN: 930)
- Capital: NT\$3.51 Billion (US\$104.13 Million)

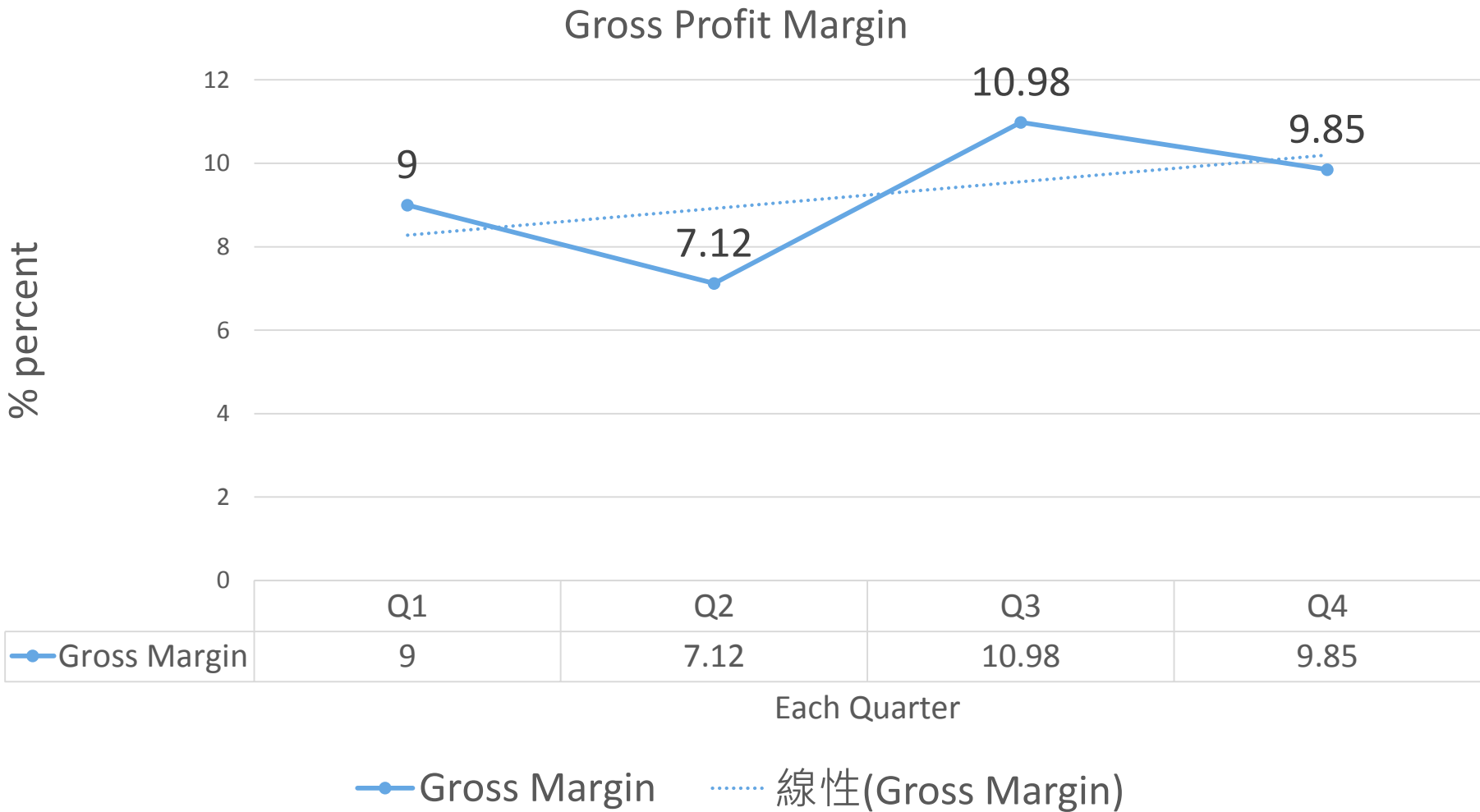


2018 Financial Results

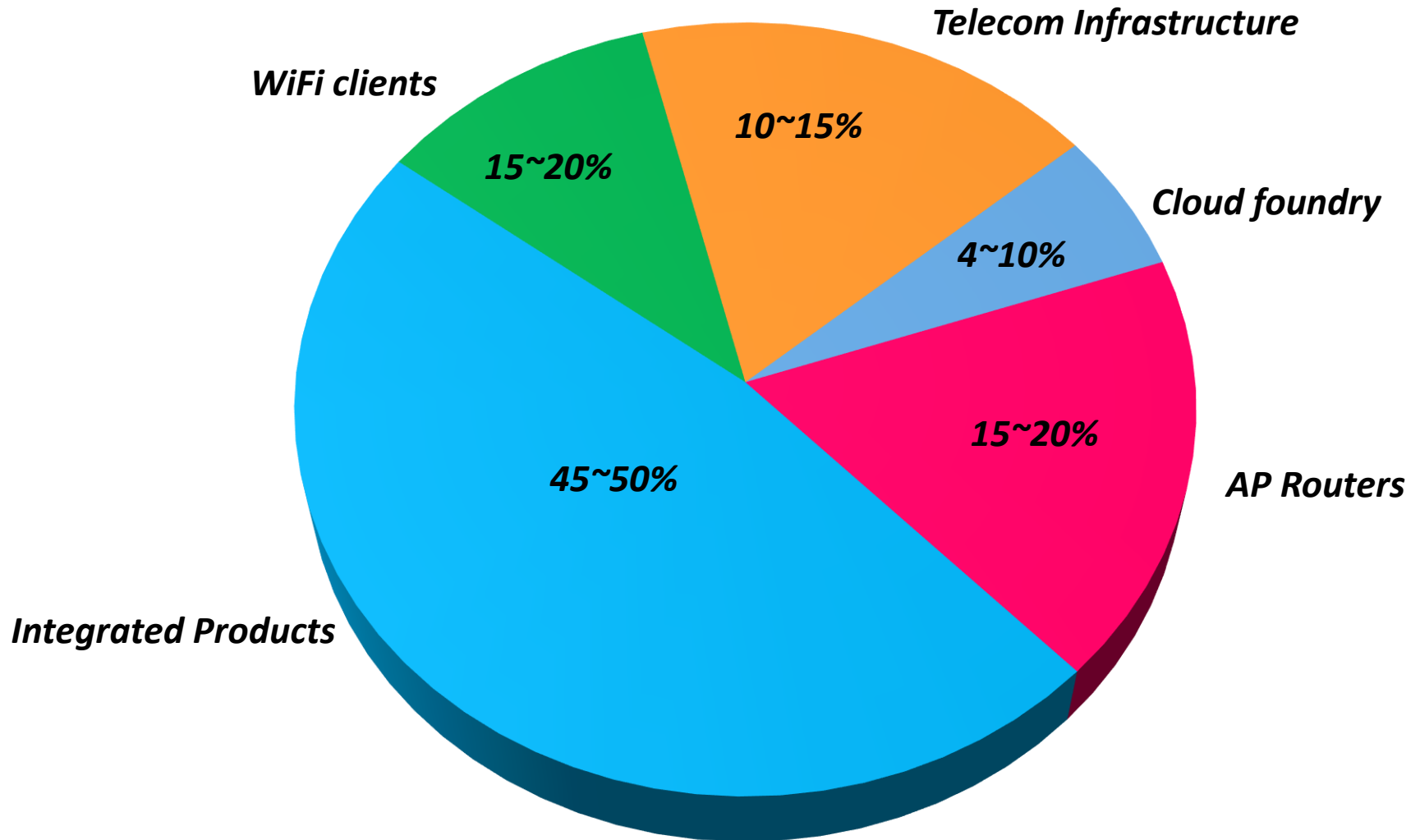
Revenue Increase



Gross Margin by Quarter



2018 Breakdown by Product



● Challenges and Our Polocies

- The shortage and price hike of components.
 - ⇒ Coordinated price with clients

- The US-China Trade War
 - ⇒ Expand our factory to Southeast Asia

● Progresses

- ⇒ Gain new clients in Fixed Broadband

Future Outlook and New Technology

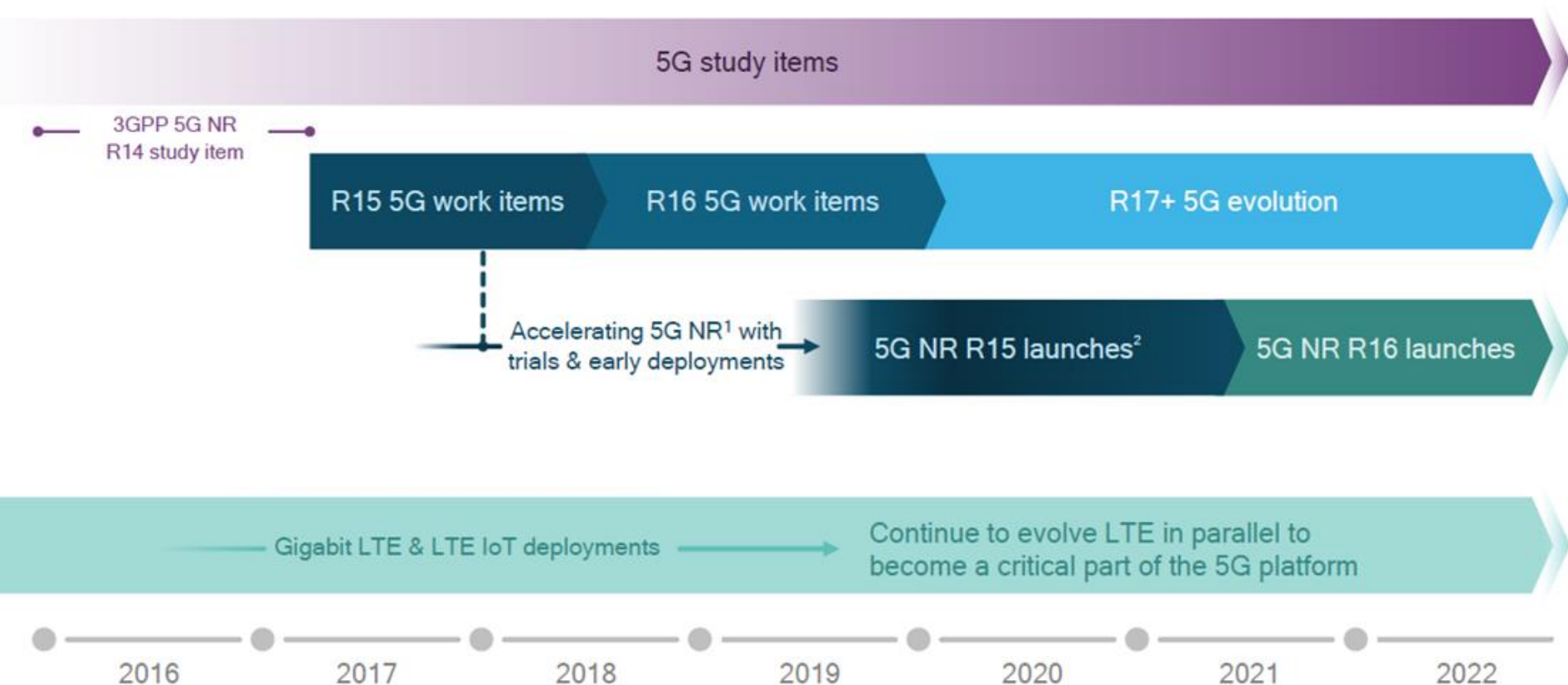
Wireless Access

- Cooperate with Chip Vendors and provide time to market solution of WiFi service platform
- Target market: Mesh AP system, gaming router, wireless streaming, Enterprise Market (Carrier Provider)
- Focus on the product of Telecom infrastructure Ex: LTE CPE, small cell, 5G product

Fixed Broadband

- Targeting at the next generation broadband access technology, 10GPON, to fulfill Telco and Cable MSO business needs and migration, as well as supporting 5G infrastructure
- Developing continuously on copper technologies (G.fast) to provide a compliment FTTx service demands
- Increase production lines utilization rate and seize opportunity to increase revenue

The 3GPP Release Schedule for 5G



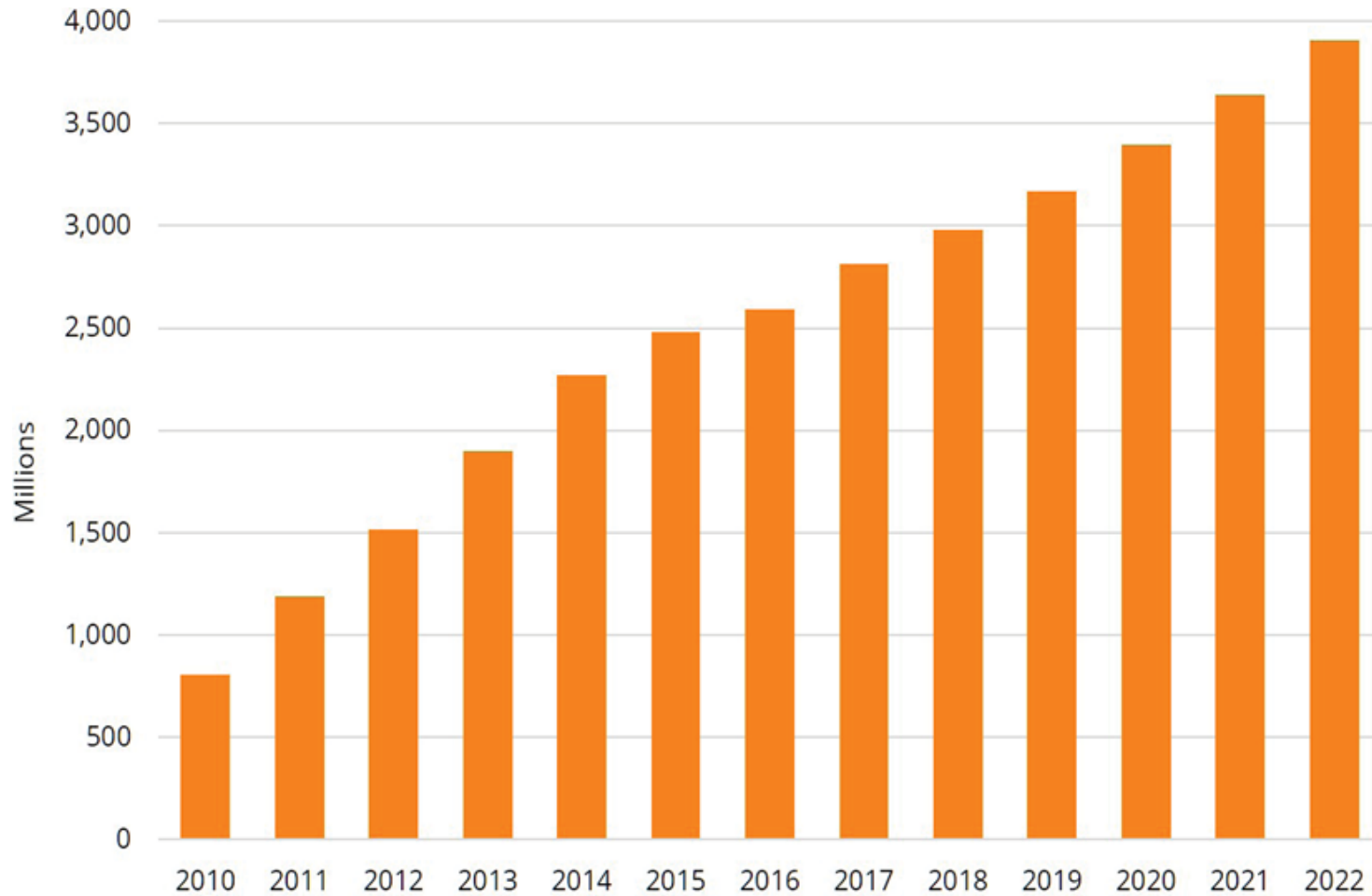
Source: Qualcomm

- **Small Cell**

- Sign agreement /contract with platform vendors (Base Band and Remote Radio Head) to develop hardware (on going)
- Working with protocol Stack vendors to develop 5G product (on going)
- Working with mmWave partners for outdoor small cell (on going)
- Develop customers oriented features for vertical and enterprise business. Product will be ready in 2020

- **UE (CPE and other fixed devices)**
 - Working with chip set vendors to develop CPE in Sub 6G (2019)
 - Sign agreement with Fibocom (Intel module provider) using Intel Sub 6G chipset XMM 8160 for CPE development.
Developed with Intel and release in 2019 MWC
 - Add mmWave features on CPE ,Outdoor devices (2020)
 - Provide dual mode (LTE and 5G NR) CPE to current LTE customers (2020)

WiFi Device Market



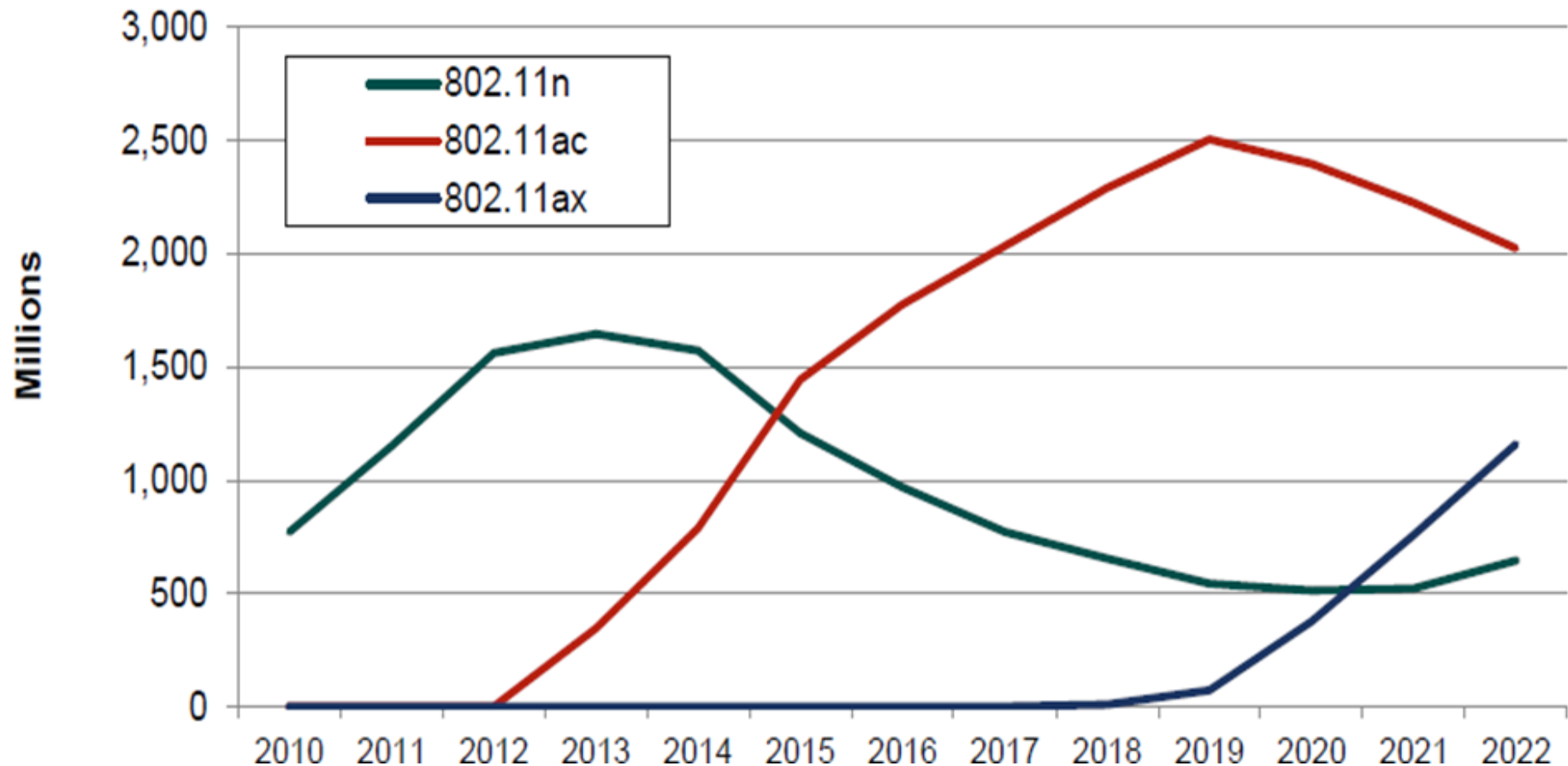
Source: Wi-Fi Alliance, ABI Research, January 2018

WiFi Device Market



2.4GHz and 5 GHz Wi-Fi Protocol
World Market, Forecast: 2010 to 2022

(Source: ABI Research)



State of Operation and 2019 Outlook

● Revenue and Margin Challenge

- Impact of The US – China Trade War.
- The uncertainty of external economic environment

● 2019 outlook

- Cooperating with worldwide System Integrators, increasing telco market share.
- Launching 5G related products.
- 5G main focus: Small cell , CPE and other fixed devices.
- Launching WiFi-6 related products.
- Focus on high value-added market.
- Seize opportunity to increase revenue and reduce the cost



THANK YOU



Q & A